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ARIZONA CORPORATION COMMISS

UTILITY COMPLAINT FORM

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Investigator: Brad Morton

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2006 - 49418

Date: 1/24/2006

Complaint Description: 08A Rate Case Items - Opposed

First:

Last:

Complaint By: Roland

Kelly

Account Name: [REDACTED]

Home: (000) 000-0000

Street: [REDACTED]

Work:

City: [REDACTED]

CBR:

State: AZ Zip: [REDACTED]

is:

Utility Company. Gold Canyon Sewer Company

Division: Sewer

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

DOCKET NO. SW-02519A-06-0015

351

Commissioners
Jeff Hatch-Miller, Chairnan
William A. Mundell (DOCUMENT)9
Marc Spitzer
Mike Gleason
Kristin A. Mayes
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

JAN 12 2006
January 8, 2006
A.Z Corporation Commissio
Reference: Docket No. SW-02519A-00-0638 Director of Utilities

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2006 JAN 24 11:14
AZ CORP COMMISSION
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Dear Corporation Commissioners:

My name is Roland Kelly and as intervener in the case before the commission known as Docket No. SW-025 1 9A-00-0638, I feel compelled to comment to the Commission oii the subject matter of a rate increase. I oppose a rate increase request for the Gold Canyon Sewer Company on the grounds that Algonquin was quite obviously the unwitting purchaser of the waste treatment facility which was poorly conceived and minimally functional when purchased. This crippled and dysfunctional business was originally designed to meet the minimal requirements of Pinal County Planning and Zoning. The original planning case for UDC was for Mountainbrook Village at Gold Canyon. It was a step by step offering by Universal Development Corporation, UDC. Conty officials were notified that waste was being allowed to spill into the desert from large tanks overflowing and the developer was operating its original waste treatment facility within less than one hundred feet of

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occupied homes on open desert where waste effluent was regularly spilled onto the ground. This notification by a resident to the attention of Pinal County Health officials became the first realization that UDC was not operating a needed treatment facility properly. It then was decided by UDC and Pinal County officials that a better way to handle and treat waste was necessary. That was the birth of an idea where other developers could become qualified to forward their dreams of building their communities using a facility that hadn't been built, but could become used by many.

Those of us having been unfortunate customers of this business have asked for relief from the business itself; Pinal County; State Government and even the Federal Government to little or no avail.

The affects of a poorly designed and improperly operated facility since its inception has been a blight on the Gold Canyon area, its people and the environment since this facility first opened. It was built before the State authority gave approval. This can be attested to by one member of the community who visited the Arizona Department of Environmental Quality offices. He was making inquiry of its opening and was told they hadn't been informed of it being built.

The diversion of a secondary wash was necessary to build the new facility and no notice was given to the Army Corp. of Engineers of the wash's diversion because the bordering land was soon to be occupied by a large food retail chain. The land the wash crossed inhibited the size of the treatment plant making the diversion necessary. To allow for the placement of the facility on this piece of land, the wash was rerouted.

Since the facility began operating in its present location it has dumped excessive amounts of effluent into holding ponds too small to handle the waste water consequently causing the effluent to run in the streets of the community and flow into washes within Mountainbrook Village and even into the wash bordering the plant. Newspapers have regularly taken pictures and written stories of the problems, and the odor complaints have been ongoing to this day.

Officials of ADEQ have stated on several occasions that they were powerless to do much about the poorly operated facility due to reasons totally incomprehensible. Not until the City of Apache Junction noticed they were responsible for a well within the dumping area of the plant did things begin to turn. Slowly, very slowly did this facility respond to complaints from Apache Junction.

The rate case decision No. 64186 by the commissioners October 30, 2001 was due to a compromise by this Chair and the then Gold Canyon Sewer Company representative, Mr. Hill, who promised things would improve with a two dollar per month increase from its customers. Rather than having a long drawn-out case we considered it better that the Algonquin Company was given the opportunity to perform their promises. That was perhaps a major mistake because all too soon it became business as usual and complaints of odor were answered with confusion on the part of the sewer company that blamed every possible entity vaguely connected to the plant. As recent as two weeks ago it was noted that unsealed vents were found on property of the retail food store. Perhaps the sealing of these vents will correct the problem; that is yet to be determined as the odor problem is still ongoing.

The fact that Gold Canyon Waste Water Treatment Facility spent a reported \$10,000,000.00 (ten million dollars) to comply with ADEQ regulations is possible, but discreditable due to the fact that they have made every part of the operation duplicate. Doubling the operations capacity by duplicating each function may be the reason to have spent ten million dollars, but it does nothing for the customer who is now asked to compensate the company for having spent that amount.

I liken the cost to a trucking firm designing and having a truck built that will carry twice the tonnage allowed on state roads. As long as it may be compensated for all costs, the business can make the customer pay for the new truck with a guaranteed ten percent profit. Gold Canyon Sewer Company has duplicated every part of the process making it possible to process four (4) million gallons per day, when it is licensed to process one point nine (1.9) million gallons. The firm cares little about the cost to build the equipment they own. It becomes the customers who get the final bill for this facility's rebuilding and duplicating. In this case the Corporation Commission guarantees the cost of construction and the profit the firm will be charging.

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End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion entered

End of Comments

Date Completed: 1/24/2006

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